BEFORE THE WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of)	DOCKET UE-121697
)	DOCKET UG-121705
PUGET SOUND ENERGY, INC. and NW)	
ENERGY COALITION)	
)	REPLY TO MOTION TO LIMIT
For an Order Authorizing PSE to Implement)	PARTICIPATION AS AN INTERVENOR
Electric and Natural Gas Decoupling)	
Mechanisms and to Record Accounting Entries)	
Associated with the Mechanisms.)	
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1. Pursuant to W.A.C. 480-07-370, the NW Energy Coalition hereby moves for permission to file the below reply to the response briefs opposing the Energy Coalition's motion to limit participation to respond to new arguments raised by Public Counsel and ICNU.

2. The NW Energy Coalition has requested that the Commission limit its participation in this unusual remand proceeding for several reasons. The primary issue in this proceeding, the appropriate return on equity for PSE in light of market conditions, is one the Energy Coalition takes no position on; the Energy Coalition has already presented evidence in support of its position that the decoupling mechanism should not lead to a prospective reduction in PSE's return on equity; and the Energy Coalition lacks the resources to participate fully in this proceeding. Each of these is a legitimate reason for the Commission to grant the NW Energy Coalition's request, and the NW Energy Coalition has demonstrated that its request is in the public interest.¹ Because the Commission has indicated that it may reconsider the issue of

¹ ICNU suggests that the NW Energy Coalition may not request that its participation be limited

whether decoupling should lead to a prospective decrease in PSE's return on equity, however, the Coalition has requested that its witness, Ralph Cavanagh, be permitted to attend the hearing to respond to questions from the Commission and other parties on evidence that is already in the record.

3. Public Counsel and ICNU filed oppositions to the NW Energy Coalition's motion, objecting on the grounds that Mr. Cavanagh's participation would be improper. Public Counsel and ICNU believe that allowing Mr. Cavanagh to answer questions at the hearing would either be unnecessarily redundant or would lead to the improper introduction of new evidence. Both concerns are misplaced. Addressing the latter concern first, the Energy Coalition has requested that Mr. Cavanagh be allowed to respond to questions regarding evidence that all parties have already had an opportunity to vet through pre-filed testimony and discovery. Nothing in the Energy Coalition's request undermines the protections of the adversarial process.

4. Nor would it be redundant or unnecessary to allow the Commission and the parties an opportunity to question Mr. Cavanagh at the hearing. The Commission has indicated that it may reconsider the question of whether decoupling should lead to a prospective reduction in PSE's return on equity, and Mr. Cavanagh's pre-filed testimony addresses precisely this point. If the Commission chooses to reconsider its prior ruling on this question, presumably it will reweigh the evidence before it and as a result may well have new questions on the existing record. The Energy Coalition continues to take the position that nothing in the Superior Court's order requires reconsideration of this issue and that the Commission should not revisit its prior determination that PSE's return on equity should not be prospectively reduced due to the

because it is a petitioner in the decoupling dockets and not an intervenor. The procedural posture in this remand proceeding is unique and under these unusual circumstances the Commission should exercise its substantial discretion in the control of its docket to grant the Energy Coalition's request. W.A.C. 480-07-110.

Earthjustice 705 Second Ave., Suite 203 Seattle, WA 98104 (206) 343-7340 decoupling mechanism. If the Commission does choose to reconsider this issue, however, it should do so on the basis of the full record and with the opportunity to develop and reconsider all available evidence at the hearing. Mr. Cavanagh's participation is appropriate and the NW Energy Coalition's motion to limit participation should be granted.

Respectfully submitted this 31st day of October, 2014.

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